

Message Text

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PAGE 01 TOKYO 09474 250855Z
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 DOE-15 SOE-02 H-01 /109 W
-----110689 251311Z /45
R 250852Z MAY 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 8232

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PASS TREASURY AND EXPORT-IMPORT BANK

E.O. 11652: GDS
TAGS: EFIN, EWT, JA
SUBJECT: FINANCING UNDER JAPAN/CHINA LTA

REF: (A) STATE 122705, (B) STATE 127323, (C) TOKYO 08772

1. DRAWONG ON GUIDANCE PROVIDED REFTELS A AND B, EMBOFFS CALLED ON MOFA OFFICIALS MAY 25 TO FOLLOW UP ON EARLIER DISCUSSIONS WITH MOF AND MITI OFFICIALS (REPORTED REFTEL C) REGARDING FINANCING OF TRADE UNDER THE JAPAN/CHINA LONG TERM TRADE AGREEMENT. IN RESPONSE TO OUR PRESENTATION, MOFA OFFICIALS STATED THAT IN REACTING TO IDEAS PUT FORWARD BY BUSINESS FOR FINANCING UNDER THE LTA, THE GOVT HAS TAKEN THE POSITION THAT ANY CREDIT PROVIDED SHOULD BE IN CONFORMITY WITH THE PROVISIONS OF THE INTERNATIONAL ARRANGEMENT ON OFFICIAL SUPPORT OF EXPORT CREDIT. THEY POINTED OUT THAT THE CHINESE SIDE HAS TO DATE REMAINED VAGUE AS TO FINANCING THEY HOPE TO RECEIVE, AND NO CASES INVOLVING THE EXTENSION OF CREDIT HAVE YET COME TO A HEAD. WITH RESPECT SPECIFICALLY TO IDEAS PUT FORWARD CONCERNING THE USE OF OFFICIAL RESERVES, MOFA OFFICIALS SAID THAT MOF AND OTHER OFFICIALS HAD EXPRESSED RESERVATIONS. THEY WENT
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ON TO POINT OUT, HOWEVER, THAT, WHILE NOT STUDYING THE USE OF RESERVES TO FINANCE EXPORT CREDITS, SOME CONSIDERATION IS BEING GIVEN TO THEIR USE TO FINANCE IMPORTS, SUCH AS CRUDE OIL AND COAL. THEY INDICATED THAT NO CONCLUSION HAS YET BEEN REACHED IN THIS RESPECT.

2. COMMENT: THIS CONVERSATION CONFIRMS EARLIER CONVERSA-

TION WITH MOF SUGGESTING THAT IT DOES NOT FAVOR THE USE OF
OFFICIAL RESERVES TO FINANCE EXPORTS UNDER THE LTA. THE
MENTION TODAY OF THE USE OF RESERVES TO FINANCE IMPORTS
WAS THE FIRST WE HAVE HEARD IN THIS CONNECTION. END
COMMENT. MANSFIELD

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NNN

Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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